



City of Liberty Lake

Quarterly Financial Report

First Quarter 2015

Overview

The Quarterly Financial Report provides a summary of budget-to-actual comparison of revenues and expenditures for each fund through the end of the most recently completed fiscal quarter. The report also provides end-of-year data including a summary budget-to-actual comparison of revenues and expenditures for the year. The information contained in this report is prepared on a cash basis. Please note that these numbers are still preliminary and adjustments may need to be made as the Annual Financial Report is prepared.

General Fund / Streets Fund

Revenues

- Retail sales tax revenue for the first quarter increased by 5% compared to last year.
- Property tax revenues are received during the second and fourth quarters of the year. Property Tax counts for 32% of the expected General Fund revenue in 2014.
- Utility tax revenue for the first quarter increased by 11% compared to last year, however there are a couple of deposits (anomalies) that staff are reviewing.

General Fund Expenditures

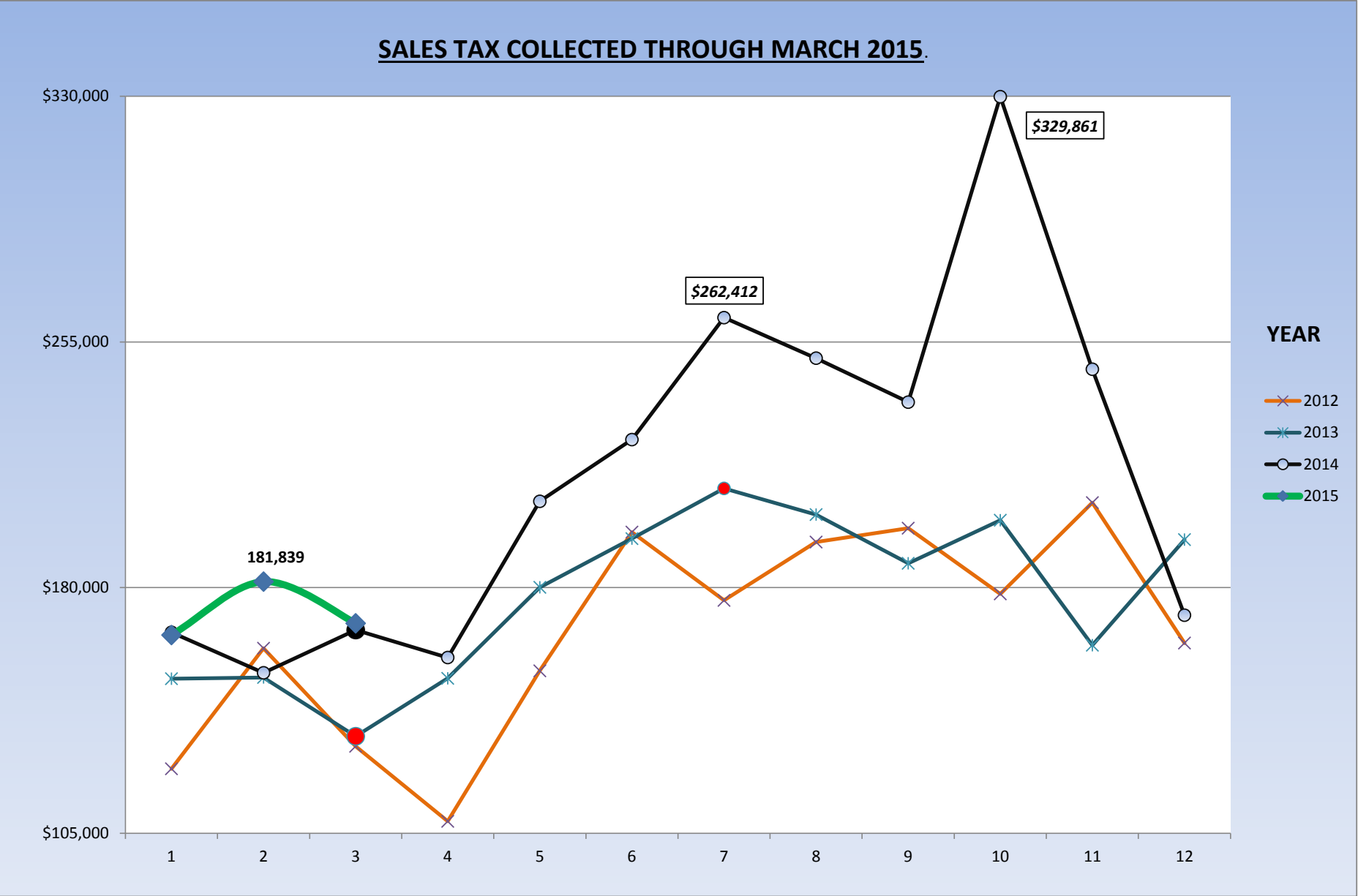
- Overall, 8% increase in comparison to last year. City has hired seasonal staff earlier than anticipated due to the mild weather. Instead of September, the City now pays the general liability insurance in January.

The following table shows budgeted and actual revenues through first quarter 2015:

GENERAL FUND/STREETS FUND: REVENUES

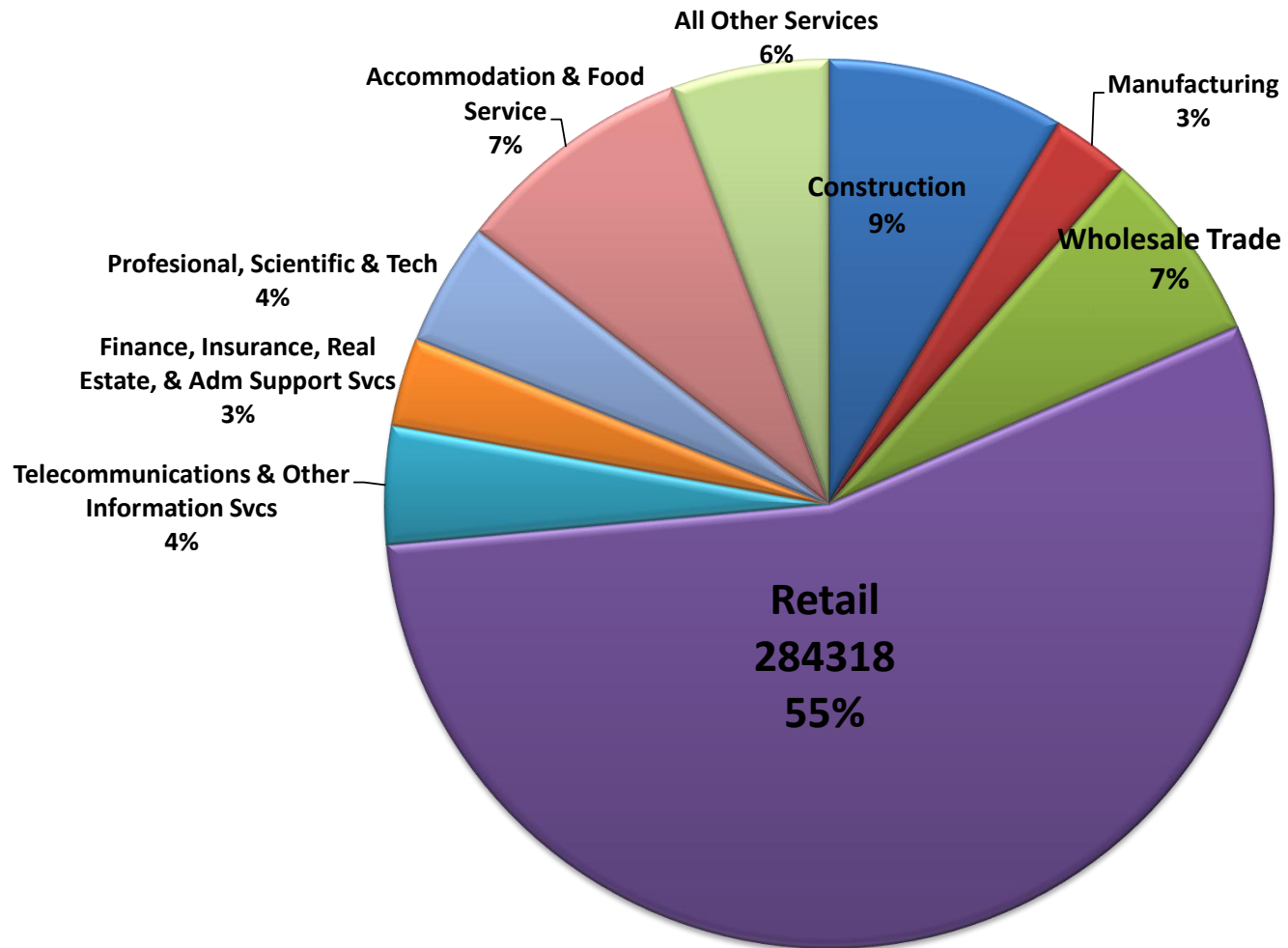
Revenue Category	3-31-2015 YTD Actual		Budgeted		% of Revenues Collected	
	01/01/14 - 3/31/14	01/01/15 - 3/31/15	2014	2015	2014	2015
Sales Tax	491,812	516,472	2,450,000	2,200,000	20%	23%
Property Tax	55,476	47,774	1,880,000	1,950,000	3%	2%
Other Taxes	52,235	62,466	260,000	278,431	20%	22%
Licenses and Permits	173,112	148,752	550,000	451,000	31%	33%
Intergovernmental Revenue	40,935	42,096	145,050	156,880	28%	27%
Charges for Services	19,490	36,689	89,900	106,220	22%	35%
Fines and Forfeitures	14,617	14,469	65,650	55,650	22%	26%
Miscellaneous Revenues	6,846	22,124	27,955	26,565	24%	83%
Utility Tax	197,772	220,657	662,000	684,000	30%	32%
Motor Vehicle Fuel Tax	40,369	42,152	160,000	170,000	25%	25%
Subtotal	1,092,665	1,153,652	6,290,555	6,078,746	17%	19%
Non Revenue Sources	16,637	16,838	85,250	85,900	20%	20%
Total Revenues	1,109,303	1,170,490	6,375,805	6,164,646	17%	19%

The following graph demonstrates sales tax by month for the years 2011 thru 2015.



2015 YTD Sales Tax = \$516,472

Following graph demonstrates the different categories of sales tax for YTD 2015.



Following Table demonstrates the sales tax for different categories thru the 1st Qrt of the year.

1st Quarter YTD Comparison for Sales Tax		YR 2011	YR 2012	YR 2013	YR 2014	YR 2015
RETAIL (includes AUTO & RV)		198,771	223,788	222,062	259,674	284,318
CONSTRUCTION		44,624	53,428	51,177	56,249	44,579
WHOLESALE TRADE		48,924	31,924	57,749	44,167	36,280
FOOD & ACCOMADATIONS		25,516	28,415	30,237	36,696	45,195
PROF., SCIENTIFIC, & TECHNICAL		19,177	12,513	18,990	24,140	23,062
ALL OTHER CATAGORIES		65,793	67,710	59,182	70,883	83,039
TOTAL SALES TAX 1ST QUARTER		\$ 402,805	\$ 417,778	\$ 439,397	\$ 491,809	\$ 516,473

The following table shows budgeted and actual expenditures for first quarter 2015.

GENERAL FUND/STREETS FUND: EXPENDITURES

Expenditure Category	3-31-2015 YTD Actual		Budget		% Expended Through Second Quarter	
	01/01/14 - 3/31/14	01/01/15 - 3/31/15	2014	2015	2014	2015
General Government Services	47,944	58,513	930,681	883,915	5%	7%
Legislative	9,551	14,722	58,362	64,562	16%	23%
Municipal Court	20,379	13,025	135,000	180,000	15%	7%
Executive	54,872	51,900	230,336	241,289	24%	22%
Legal	10,000	10,000	60,000	60,000	17%	17%
Finance & Administrative Services	123,867	250,181	772,451	860,586	16%	29%
Law Enforcement	370,063	388,569	1,684,287	1,763,309	22%	22%
Planning and Building Services	86,879	84,859	378,072	397,952	23%	21%
Library	104,264	102,117	427,670	438,032	24%	23%
Recreation & Youth Programs	25,591	28,147	163,983	182,069	16%	15%
Parks	74,762	137,028	1,099,626	794,103	7%	17%
Street Fund	108,633	85,248	1,056,709	935,365	10%	9%
Subtotal	1,036,803	1,224,308	6,997,177	6,801,182	15%	18%
Non Expenditures	644	-	87,310	88,310	1%	0%
Total Expenditures	1,037,447	1,224,308	7,084,487	6,889,492	15%	18%

- Finance and Administration expenses are higher due to changes when General Liability Insurance are due.
- General Government Services includes \$445K payment to LIFT.
- Parks increase comes from an earlier season and preparing the Liberty Lake Ball Fields.
- Street Fund, YR 2015 Budget includes \$100K for Pedestrian Safety Improvements.
- Streets Fund includes \$400K transfer to Streets Capital Fund in 2015 for the Appleway Project.

City of Liberty Lake 2015 Cash Summary By Fund

The following table lists what the Cash Balances are in each fund at the end of March 31, 2015.

FUND	FUND #	2014 Ending Fund Balance	2015 1st Qrt Revenue	2015 1st Qrt Expenditures	3-31-2015 ACTUAL Cash Balance
General Fund + Street Fund	001 & 110	\$2,896,432	1,170,490	1,224,308	2,842,615
Tourism Promotion Fund	115	\$41,802	6,621	-	48,424
Tourism Promotion Area Fund	117	\$13,168	9,782	-	22,950
Restricted Reserve Fund	120	\$1,215,525	76	-	1,215,601
LTGO Redemption Note	212	\$0	42,024	42,024	-
City Land LTGO Bond Fund	214	\$0	-	-	-
REET 1 Capital Projects Fund	310	\$259,016	53,310	-	312,327
REET 2 Capital Projects Fund	311	\$446,149	53,377	280	499,246
Street Capital Projects Fund	312	\$1,012,463	2,814	6,041	1,009,236
Harvard Road Mitigation Fund	320	\$41,133	15,885	-	57,018
Library Capital Fund	330	\$62,417	20	567	61,870
Police Capital Fund	334	\$70,675	25	-	70,700
Stormwater Utility Fund	410	\$226,671	1,520	377	227,814
Aquifer Protection Fund	411	\$137,201	44	-	137,245
Golf Course	420	\$108,617	99,672	81,779	126,510
Unemployment Fund	510	\$0	4,853	4,853	-
		\$ 6,531,272	\$ 1,460,518	\$ 1,360,230	\$ 6,631,556

Description of Other Funds

Hotel/Motel Tax (Tourism Promotion Fund)- The Hotel/Motel Tax is derived from the sale or charge made for the furnishing of lodging by any hotel, motel, rooming house, tourist court, or trailer camp within the city limits of Liberty Lake for less than 30 consecutive days. In Spokane County, there must be 40 or more units for the tax to apply. The City levies a special excise tax of two percent.

Tourism Promotion Area (Tourism Promotion Area Fund)- The City established a tourism promotion area (TPA) that encompasses the entire City of Liberty Lake and has authorized lodging charges within the established area. Lodging businesses in the TPA that have 40 or more units must collect the lodging charge from persons who purchase lodging. The City receives \$2.00 per night of stay from lodging businesses with 40 or more units with lodging revenues exceeding five hundred thousand dollars during the preceding calendar year. The City receives \$.50 per night of stay from lodging businesses with 40 or more units with lodging revenues below five hundred thousand dollars during the preceding calendar year.

Restricted Reserve Fund- The Restricted Reserve Fund is generally maintained at 15% of the General Fund's projected or actual, if known, operating revenues for the fiscal year. Policies for management and use of the Restricted Reserve Fund are laid out in City of Liberty Lake Ordinance No. 107-D.

REET (Capital Projects Fund & Special Capital Projects Fund)- Real Estate Excise Tax (REET) of one-quarter of one percent of the selling price is imposed on each sale of property in the City of Liberty Lake. The tax is deposited into the Capital Projects Fund and is restricted to fund any capital purpose identified in a capital improvement plan and local capital improvements including those listed in RCW 35.43.040.

There is an additional one-quarter of one percent on real estate sales within the city limits. According to state law, cities planning under GMA (Growth Management Act) have the authority to levy a second quarter percent tax (REET 2). Funds from REET 2 are placed in a Special Capital Project Fund and used solely for financing capital projects as specified in a capital facilities plan element of the comprehensive plan.

Street Capital/Library Capital /Police Capital Funds- These are unreserved dollars set aside for Capital Projects

Harvard Road Mitigation Fund - Mitigation fees collected for road improvements. This plan has been updated in 2014 with a fee increase to start May 2014.

Stormwater Utility Fund - City collects money from property owners to maintain its stormwater system. Ordinance #88A.

Aquifer Protection Fund - City collects money from property owners to protect the Aquifer. Ordinance #208.

Golf Course Fund - This is an Enterprise Fund where fees are charged to external users for services.

G.O. & LTGO Bond/Note Funds- Debt service funds that track bond and note payments. Revenue for these funds are typically interfund transfers.

CITY OF LIBERTY LAKE

SUMMARY OF GOLF COURSE FUND - March 31, 2015

	<i>2013 Actual</i>	<i>2014 Actual</i>	<i>2015 Actual</i>	<i>2015 Budget</i>
Pro Shop Sales	7,229	6,071	6,720	40,000
Season Passes	11,082	8,971	18,645	17,000
Green Fees	15,059	8,550	22,014	195,000
Lessons	610	219	614	10,000
Driving Range	17,341	16,266	24,439	80,000
Golf Cart Trail Fees	461	307	1,162	2,000
School Driving Range Fees	736	736	1,472	1,500
Restaurant	5,143	2,700	8,100	34,000
Golf Cart	715	715	3,590	39,000
Misc	507	257	706	4,670
Non Revenue	9,962	5,778	12,210	69,000
Total Revenue	68,844	50,570	99,672	492,170
Salaries/Benefits	30,651	34,063	32,116	171,186
Supplies	20,384	17,375	22,175	124,800
Services	10,422	12,727	19,645	83,000
Non Expenditures	2,995	2,006	4,374	66,000
Operations	64,452	66,171	78,309	444,986
Capital	-	63,073	3,470	45,500
Capital and Other	-	63,073	3,470	45,500
Total Expenditures	64,452	129,244	81,779	490,486

Notes:

- Mild winter resulted in very strong revenues for first quarter.
- City purchased (Capital) new golf carts in 2014.